

## Message Text

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FOR CARTER FROM PA

E.O. 11652: N/A

TAGS: SOPN, OVIP (VANCE)

SUBJECT: PRESS MATERIAL

1. HEREWITH FULL TEXT MURRAY MARDER BY-LINER WASHINGTON  
POST THURSDAY AUGUST 4 HEADED "WHITE HOUSE DETAILS CASE  
FOR NEW PANAMA TREATY"

2. THE WHITE HOUSE HAS ENTERED THE CONTEST TO INFLUENCE  
PUBLIC OPINION OVER A NEW PANAMA CANAL TREATY AS NEGOTIA-  
TIONS FOR THE ACCORD APPROACH A CLIMAX.

3. ANTICIPATING THE EMOTIONAL NATIONAL DEBATE THAT AWAITS  
THE INTENDED MAJOR REVISION OF THE 1903 CANAL ZONE TREATY,  
THE WHITE HOUSE MEDIA LIAISON OFFICE HAS SET OUT THE  
CARTER ADMINISTRATION'S CASE TO EDITORS AND BROADCASTERS  
AT THE GRASS-ROOTS ACROSS THE COUNTRY.

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4. ALTHOUGH IT USUALLY CONCENTRATES ON DOMESTIC ISSUES,  
THE MEDIA OFFICE HAS SENT AN 18-PAGE "FACT SHEET," ITS  
LENGTHIEST EVER, TO 3,600 OUTLETS ON THE PANAMA DISPUTE.

5. RECOGNIZING THE BLUNTNESS OF THE IMPENDING DEBATE,  
THE WHITE HOUSE DOCUMENT ADDRESSES CHALLENGES DIPLOMATS

NORMALLY AVOID IN PUBLIC, FOR INSTANCE: IS THE PANAMANIAN GOVERNMENT OF GEN. OMAR TORRIJOS, WITH WHICH THE UNITED STATES IS NEGOTIATING, "A DICTATORSHIP?"

6. THE RESPONSE IN THE WHITE HOUSE FACT SHEET:

7. "ALL PANAMANIAN FACTIONS, NO MATTER WHAT THEIR POLITICAL IDEOLOGY, WANT A NEW CANAL TREATY AND A MORE EQUITABLE RELATIONSHIP WITH THE UNITED STATES . . . THE PANAMANIAN GOVERNMENT IS NOT A DEMOCRACY AS WE UNDERSTAND THAT TERM, BUT SLOGANS ARE NOT ACCURATE FOR THE TORRIJOS GOVERNMENT.

8. "THE TORRIJOS REGIME IS STRONGLY NATIONALIST AND POPULIST AND CONCERNED ABOUT ITS POLITICAL INDEPENDENCE. SETTLEMENT OF THE TREATY ISSUE WOULD REMOVE THE MAJOR ISSUE WHICH RADICAL ELEMENTS COULD EXPLOIT IN PANAMA AGAINST THE U.S."

9. NEGOTIATIONS ON THE NEW TREATY, LABELED "INFORMAL TECHNICAL DISCUSSIONS," CONTINUED YESTERDAY AT THE STATE DEPARTMENT. U.S. OFFICIALS DISCLAIMED SPECULATION THAT AN AGREEMENT IN PRINCIPLE IS ANTICIPATED BY THE TIME GEN. TORRIJOS ATTENDS A MEETING OF LATIN AMERICAN PRESIDENTS IN BOGOTA, COLOMBIA, ON FRIDAY.

10. DIPLOMATIC SOURCES ACKNOWLEDGED, HOWEVER, THAT THERE UNCLASSIFIED

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IS INTENSE DISCUSSION ABOUT AN ECONOMIC SETTLEMENT WITH PANAMA FOR A TREATY SETTLEMENT THAT WOULD INCLUDE LONG-TERM ECONOMIC AND OTHER U.S. AID, IN ADDITION TO INCREASED U.S. RENT FOR THE CANAL.

11. PANAMA NOW RECEIVES A MODEST \$2.3 MILLION ANNUAL U.S. PAYMENT FOR AMERICAN CONTROL OF THE WATERWAY AND 10-MILE-WIDE CANAL ZONE. PANAMANIAN NEGOTIATORS AT FIRST DEMANDED UP TO \$5 BILLION IN COMBINED LUMP-SUM AND ANNUAL PAYMENTS UNTIL THE YEAR 2000, WHEN PANAMA WOULD GAIN FULL CONTROL OF THE ZONE, THEN COUNTERED WITH A REQUEST FOR \$460 MILLION AT THE OUTSET AND \$150 MILLION ANNUALLY.

12. SOURCES SAID THE UNITED STATES OFFERED \$34 MILLION ANNUALLY, FROM INCREASED CANAL TOLLS, THEN INDICATED THE OUTSIDE LIMIT 'AS \$50 MILLION A YEAR. THE BARGAINING NOW CENTERS ON PROVIDING FURTHER U.S. SUMS THROUGH MORE POLITICALLY PALATABLE "NORMAL AID."

13. THIS NEGOTIATING IS BEING CONDUCTED WITH PANAMA'S NICHOLAS BARLETTA, MINISTER OF PLANNING AND ECONOMIC POLICY.

14. THE CENTRAL MESSAGE IN THE MATERIAL CIRCULATED BY THE WHITE HOUSE MEDIA LIAISON OFFICE WAS THAT A NEW TREATY, INSTEAD OF "YIELDING TO PRESSURE FROM RADICALS" TO SURRENDER THE PANAMA CANAL, AS CRITICS CHARGE, WOULD CORRECT A HISTORIC INEQUITY AND, MOST OF ALL, ASSURE CONTINUED AMERICAN USE OF THE WATERWAY.

15. AMERICAN CONTROL OF THE CANAL ZONE, AND THE CREATION OF PANAMA ITSELF, IN A WELL-TIMED REVOLT FROM COLOMBIA, THE FACT SHEET ACKNOWLEDGED, WERE "LARGELY THE RESULT OF AMERICAN POWER." TO ALL OF LATIN AMERICA, THE REPORT SAID, PERPETUATION OF THE PRESENT TREATY IS "A RELIC OF AMERICAN COLONIALISM . . . A FESTERING WOUND . . ."

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16. UNDER THE PROPOSED TREATY, THE REPORT SAID, THE UNITED STATES "WOULD IN EFFECT HAVE UNTIL THE YEAR 2000 TO TRAIN PANAMA IN OPERATIONS OF THE CANAL," AND AUTHORITY "FOR PRIMARY DEFENSE" OF IT.

17. AFTER 2000, THE REPORT ADDED, "WE INTEND TO HAVE ADEQUATE ASSURANCES" OF ACCESS TO THE CANAL, AND ASSURANCE "THAT OUR SECURITY INTEREST IN THE CANAL WILL BE PROTECTED." CHRISTOPHER

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